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8 NOV 1966

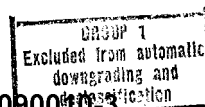
MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT : Management of Non-Staff Personnel

1. I have reviewed the proposal of the Director of Personnel that statutory fringe benefits be extended to certain contract personnel. My first thought was that this was a unilateral CIA effort to afford benefits to its own contract personnel through revision of Civil Service Commission regulations, which are applicable to all Government agencies. Upon inquiry, we find that the Commission would refer CIA's recommendation to the Inter-Agency Advisory Group for concurrence before the Commission's regulations were revised. The Commission believes that other agencies would welcome the change. If they do not, the Commission could and probably would approve such benefits only for CIA contract personnel or for those of any other agency that wished to take advantage of the option.

2. I attach for your information the draft of our memorandum on management of non-staff personnel, which you have already seen. This current proposal by the Director of Personnel overtakes some of the points we included in our draft, but it addresses itself only to the matter of benefits: retirement, group life insurance, and health insurance. The concern in our memorandum is with the much broader aspects of contract personnel administration. Our comments and conclusions were drawn solely from our experiences with recent difficult cases. We have now made inquiries and find that actions are under way to get a much firmer grip on the administration of contract personnel. The Clandestine Services, who employ the great bulk of the Agency's contract personnel, are embarking on a program that presumably will serve as a pilot for an eventual Agency-wide program. A Clandestine Services Notice on the handling of resignations or terminations of contract personnel is in draft. The effect of the notice will be to involve senior command echelons in such terminations. An inventory of contract personnel is being made, and the acquired data will be put under computer control. A mechanism will be established for keeping the data current.

3. Although contract personnel management is a concern of all directorates, it makes good sense to me to begin the program in the directorate where the bulk of the problems are likely to be found. As the system evolves, it can be extended to the other directorates. I am satisfied that the problem of management of non-staff personnel is receiving appropriate attention at suitable levels within the Agency. Consequently, I see no need for our memorandum on the subject to go

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beyond its present tentative stage. To assure yourself that this effort has actually gotten off the ground, you might wish to request that a progress report be submitted to you within six months.

4. As to the merits of the Director of Personnel's proposal and John Clarke's demurral, I appreciate the budgetary restraints under which we operate; however, the problem is here and now. [REDACTED]

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[REDACTED] preliminary screening here at headquarters have non-staff personnel with long-term tenure. Each

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[REDACTED]

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Inspector General

Attachments-2

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)  
Management of Non-Staff Personnel

FROM:	Inspector General Room 7D-49 Headquarters	EXTENSION	NO.
25X1			DATE Nov. 9, 1966

TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		
1. Executive Director-Comptroller Room 7D-59 Headquarters				
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## CONTRACT PERSONNEL

Contract personnel may be engaged only for approved activities for which funds are specifically available.

### Contract Employees

Contract employees are temporary personnel who are employed by contract for a specified period to meet short-range needs in official Agency activities. They may be citizens of the U.S. or foreign nationals. While not staff employees of the Agency, they have an employee relationship to the U.S. Government and receive rights, benefits, and privileges in accordance with their citizenship status.

#### Type A

Contract employees who meet staff employee security standards and who have been granted security clearance to perform staff-type duties at headquarters or other CIA installations.

#### Type B

Contract employees who are not required to meet full staff employee security standards and who do not have access to CIA headquarters or other official Agency installations or to classified material, except under conditions specifically set forth at the time of request for security approval.

### Contract Agents

A contract agent is a citizen of the U.S. or a foreign national engaged as an independent contractor to perform certain specific activities either within or outside the U.S. A contract agent may be used by a proprietary or subsidized organization, but may not work in a headquarters, station, or base office. A contract agent receives only the benefits and compensation which have been established as equitable and necessary to obtain his services and which are specified in his contractual agreement.

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### Career Agents

A career agent is an individual who, having demonstrated his operational value to the CIA over a period normally of not less than three years for U.S. citizens and five years for foreign nationals, has been engaged on a career basis for the purpose of performing covert activities for an extended period of time. While not a staff employee, the career agent is an employee of the U.S. Government . . . and is normally entitled to benefits and privileges commensurate with but not necessarily identical to those granted to staff personnel.

There is no maximum term for this type of contract, which shall state the intent of the individual and the Agency that the contractual arrangement will be for a long period of time.

Career agents may be covered by the Civil Service Retirement System, the social security program, or an individually tailored plan that the Agency may devise.

Career agents' contracts shall be terminated in conformance with the terms of the contracts. Provision may be made in the contract for the individual to be afforded assistance in obtaining employment at substantially the same professional level or in some other pursuit when return to his previous occupation would be impossible or inappropriate. Rehabilitation assistance may include a final payment normally not exceeding one year's salary upon termination of the contract.

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ROUTING AND RECORD SHEET				
SUBJECT: (Optional)				
Management of Non-Staff Personnel				
FROM:		EXTENSION	NO.	
25X1 Inspector General Room 7D-49 Headquarters			DATE 8 NOV 1966	
TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		
1. Executive Director-Comptroller Room 7D-59 Headquarters	9 Nov.	11/18	SKH/150	<p>Jack: I have authorized Personnel to dispatch this letter to CSC and will proceed further when we receive their reply</p> <div></div>
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